GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2490
ANSWERED ON:11.03.2016
External Commercial Borrowings
Charitra Shri Ram;Kalvakuntla Smt. Kavitha

Will the Minister of FINANCE be pleased to state:

(a) the guidelines issued by the Government/RBI to regulate the External Commercial Borrowing (ECB);
(b) whether the Government/RBI proposes to review and modify ECB policy in tune with the evolving macro-economic situation, domestic investment demand and external sector developments so as to facilitate the flow of funds to key sectors, if so, the details thereof;
(c) whether the Government plan to expand and ECB and if so, the details thereof; and
(d) the steps taken/being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)
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(a): The revised guidelines to regulate the External Commercial Borrowing (ECB) were issued by the Reserve Bank of India (RBI) vide A.P. (DIR Series) Circular No. 32 dated November 30, 2015 notified vide Notification No. FEMA 358/2015-RB dated December 02, 2015.
(b)to(d): ECB guidelines are reviewed from time to time keeping in view the prevailing macroeconomic situation, emerging financing needs of the Indian entities and the experience gained by RBI in administering the ECB policy. The earlier ECB guidelines dated August 1, 2005 were comprehensively reviewed recently and a revised ECB framework has been brought into effect from December 2, 2015 by RBI in consultation with Ministry of Finance.